

Mike Quigley

President, Fixed Communications Group
President, Alcatel North America

June 3, 2004

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th St., SW
Washington, D.C. 20554

Re: Notice of Written Ex Parte Presentation. 47 CFR Sec. 1.1206(a)(2)

In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent
Local Exchange Carrier, CC Docket No. 01-338

Implementation of the Local Competition Provisions of the Telecommunications
Act of 1996, CC Docket No. 96-98

Deployment of Wireline Services Offering Advanced Telecommunications
Capability, CC Docket No. 98-147

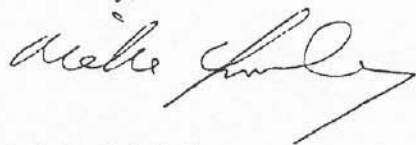
Chairman Powell:

Attached for your information is data compiled by Alcatel demonstrating a 47% increase in the number of digital subscriber line ("DSL") net additions by the four largest incumbent local exchange carriers since the Federal Communications Commission's February 2003 Triennial Review Order on network unbundling. This data was compiled through a variety of resources (investment houses, carrier announcements, vendor orders), and it compares the five quarters prior to the Triennial Review Order with the five subsequent, inclusive.

I wanted to take this opportunity to not only share this information with you but to also thank you for your leadership on broadband at the Commission. By recognizing that new broadband network elements (DSLAMs, remote terminals, and fiber-to-the-premises loops) should generally be exempt from network unbundling rules that were intended for the legacy circuit switched market, the Commission has greatly improved the investment atmosphere for broadband. Investment in DSL is not only increasing the availability of broadband in the United States, but it provides vital consumer benefits by competing with existing cable modem infrastructure.

I look forward to seeing you at Supercomm in Chicago later this month. If you have any questions concerning the attached or Alcatel in general, please do not hesitate to contact me at (972) 519-2356.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Quigley", with a long, sweeping horizontal stroke at the end.

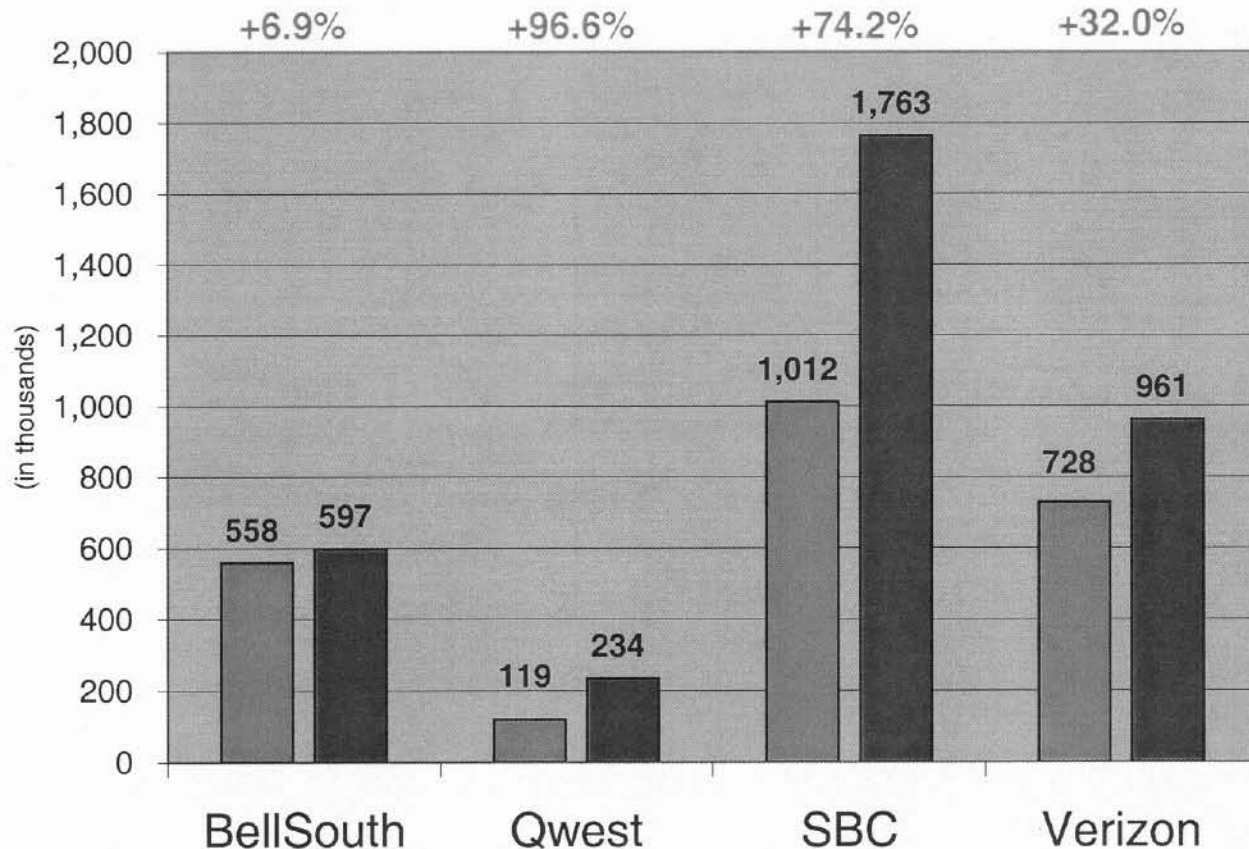
Michael Quigley
Chief Executive Officer
Alcatel North America

Attachment

cc: Commissioner Kathleen Q. Abernathy
Commissioner Michael J. Copps
Commissioner Kevin J. Martin
Commissioner Jonathan S. Adelstein
Christopher Libertelli
Matthew Brill
Jordan Goldstein
Daniel Gonzalez
Scott Bergman
William Maher
Jeffrey Carlisle
Carol Matthey
Michelle Carey
Brent Olson
Tom Navin

DSL Lines Provisioned, Q4 2001 - Q1 2004

*Net adds comparing 5 quarters before Feb. 2003 with 5 quarters since Feb. 2003 (inclusive)



■ Q4 2001
through Q4
2002

■ Q1 2003
through Q1
2004

**Overall growth in
DSL adds
2,417,000 v.
3,555,000**

**47.1%
increase.**